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Fourteenth session

SUMMARY RECORD OF THE 7th MEETING

Held at the Vienna International Centre, Vienna,
on Thursday, 29 June 1995, at 10 a.m.

President: Mrs. OK (Turkey)

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The meeting was called to order at 10.30 a.m.

INDUSTRIAL COOPERATION AND CONSULTATIONS (INCLUDING ECONOMIC AND TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES AND IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 47/153) (IDB.14/17, IDB.14/24)

OPERATIONAL ACTIVITIES FOR DEVELOPMENT (IDB.14/22)

1. **Mr. PISKOUNOV** (Managing Director, Human Resource, Enterprise and Private Sector Development Division), introducing the recommendations for follow-up action by UNIDO to the World Summit for Social Development (IDB.14/24), said that the Programme of Action adopted at the Summit called upon the United Nations agencies to give greater emphasis to the goals of poverty eradication, productive employment and social integration. UNIDO had followed up that call by requesting UNDP Resident Representatives and UNIDO Country Directors to ensure that social development was addressed at the field level. Efforts were also being made to integrate social development into the programme development process. In that connection, UNIDO had recently co-hosted with the Government of Botswana a private sector forum which had been attended by representatives of the African private sector, non-governmental organizations and interested United Nations agencies. Since assistance to Africa and the least developed countries was a priority theme of the Organization, UNIDO had at the forum made concrete recommendations for strengthening the African private sector and linking industrialization with social development through upgrading of skills and generation of employment.

2. The Secretariat was considering projects designed to generate employment at the grass-roots level, targeting youth and women, with special attention to rural areas in the least developed countries and countries undergoing economic hardship as a result of global competitiveness and inflation. Projects that fell specifically within UNIDO's field of competence would be considered for financing from the Organization's own resources. In addition, the Human Resources Development Programme had been geared to address social issues in specific ways. For example, a survey was being launched to assess replicable models of human resources development practices having an impact on community-based integrated industrial projects and on efforts by big business corporations to meet the training needs of women and young people and to integrate marginalized social groups.

3. **Mr. VENKATARAMAN** (Managing Director, Investment and Technology Promotion Division) said that he would confine his remarks to economic and technical cooperation among developing countries (ECDC/TCDC) since the subject of consultations as such was not before the Board at the present session. It should be noted, however, that the staff and programmes relating to consultations had been streamlined and reorganized and that the work programme was being actively implemented. The Director-General's report (IDB.14/17) described the implementation of earlier recommendations by the General Conference and the Board relating to ECDC/TCDC, which was an integral part of the work of various divisions. Some new directions were being given to the ECDC/TCDC programme, which could more accurately be called the "industrial cooperation among developing countries" programme. It was proposed to give sharper focus to enterprise-level activities, in particular investment and technology cooperation. In cooperation with subregional and regional organizations, the emphasis would be on strengthening and enhancing agreed activities that were already being implemented. ECDC/TCDC would have an important role to play in helping the least developed countries, particularly in human resource development and small-scale industry. It was proposed to use cooperation among developing countries as an instrument for sensitization and exchange of experience on issues of emerging importance, such as biodiversity. UNIDO intended to play its due role in a United Nations conference on ECDC/TCDC scheduled for 1996.

4. **Ms. LJUJIC-MIJATOVIC** (Observer for Bosnia and Herzegovina) said that at a very critical moment for the future of UNIDO she would like to make a few remarks about the importance of the Organization's mission in her war-torn country. For three years Bosnia and Herzegovina, an internationally recognized State and a full Member of the United Nations, had been the victim of aggression, which was continuing. After 200,000 deaths, men, women and children were still being killed on the streets of Sarajevo and other cities, which lacked such basic human needs as food, water, gas and electricity.

5. Bosnia and Herzegovina was confident in its future and intended to struggle for the well-being of all its citizens. One of its objectives was to rebuild the country as a democratic and multi-ethnic society, while another was to preserve and develop its technical, educational and production capacities. Above all, the nation sought to preserve its people, the human potential that would perpetuate the thousand-year-old existence of Bosnia.

For that purpose, the country had turned to the specialized agencies for assistance and was convinced that the Organization could make a valuable contribution to its industrial development. At the present time 11 UNIDO projects were under way, including activities such as industrial restructuring, transition to a market economy, privatization and a small and medium-sized enterprise programme. Her country hoped that UNIDO would bridge the gap in industrial development caused by the aggression and engage a maximum number of national experts, who had been scattered all over the world as refugees but were eager to put their accumulated knowledge to rebuilding the country.

6. UNIDO's work could and should be improved so that it could respond more quickly to urgent needs. She therefore supported the current reform process and considered that, far from being abolished, UNIDO should continue to play its unique role in a changing world.

7. **Mr. MARCHAN** (Ecuador), referring to the Regional Cooperation Programme for the Industrial Recovery of Latin America and the Caribbean, said that its implementation should continue to be based on support for the development of small and medium-sized enterprises, investment promotion and technical cooperation. UNIDO should help to establish new programmes and forms of cooperation in response to the changing needs of the countries of the region, in particular by supporting integration processes, cooperating more closely with regional bodies and strengthening interaction among regional programmes. His own country attached the highest importance to new industrial policies and strategies designed to address the globalization and regional integration processes and to improve quality and competitiveness, taking into account the role of the private sector.

8. Economic and technical cooperation among developing countries was of particular importance at a time when the flow of resources from the developed countries was dwindling. Furthermore, liberalized production, trade and investment regimes and greater reliance on private sector development widened the scope for South-South cooperation. His delegation therefore urged UNIDO to provide adequate assistance to existing interregional and subregional industrial cooperation mechanisms, in particular for the development of human resources and small-scale industry. In that connection, he expressed his appreciation of the first Regional Forum on Industrial Policies in Latin America and the Caribbean, held in Costa Rica in October 1994.

9. He called upon UNIDO to assist the countries of Latin America in improving their capacity for the national implementation of development projects, as it already did in other regions. Ecuador was particularly interested in the formulation of integrated programmes making use of the wide range of resources available in UNIDO and combining technical cooperation with services financed under the regular budget. In that context he drew attention to a project in the timber sector that his country was about to launch. It was essential to study the environmental impact of the project and to ensure coordination with the relevant United Nations bodies. Industrial investment promotion was a cornerstone of any programme of industrial development. He therefore welcomed the proposed expansion of the Investment Promotion Service (IPS) network and stressed the importance of holding investment forums at the national level.

10. **Mr. HABTEH-YIMER** (Ethiopia), referring to the Director-General's note on operational activities for development (IDB.14/22), said he felt confident that the reform programme would continue in the right direction, bringing excellence to the services offered to Member States. They themselves share a responsibility for ensuring the effectiveness of the Organization. Accordingly, the beneficiaries of UNIDO's services should carefully examine their own shortcomings in the pursuit of industrial development and take appropriate corrective measures.

11. The Organization clearly needed financial support if it was to implement its reform programmes. Its budgetary constraints were of particular concern to the developing countries, because UNIDO's lack of resources would retard their efforts to escape from poverty. His own country was doing its best to keep UNIDO alive by remaining up to date with its contributions in spite of difficulties. It was implementing various economic reform and structural adjustment programmes on the basis of a new market-oriented economic policy and development strategy. In its efforts to expedite industrial development, issues such as productivity, quality, standardization, comparative advantage and competitiveness were of paramount importance. Ethiopia needed the assistance of such specialized agencies as UNIDO in its effort to implement its long-term agriculture-led industrialization strategy, in which it faced such problems as rehabilitation, marketing, private sector development, industrial development support institutions, policy formulation, human resources development and investment promotion.

12. He strongly supported the strengthening of the UNIDO Country Director programme and looked forward to receiving information on the links between beneficiaries, field offices and Headquarters and the extent to which authority would be delegated to the

field. He commended UNIDO's efforts to remain demand-driven and to support the capability of developing countries to implement their own industrial plans. It was encouraging that the Organization was engaged in the formulation of country support strategies; efforts must continue to ensure that they covered the largest possible number of Member States within a feasible period.

13. **Mr. OWN** (Observer for the Libyan Arab Jamahiriya), referring to document IDB.14/17, said it was heartening to note that through its industrial cooperation activities UNIDO was planning to provide greater assistance to the developing countries in attaining self-sufficiency. Growth rates in those countries were far from satisfactory. The Director-General's report gave a detailed picture of ECDC/TCDC activities and the assistance available from the developed countries to support them.

14. His own country was undergoing severe economic difficulties as a result of the restrictions imposed upon it by certain developed countries, which were interfering with its national development programme. The situation had had a highly negative impact on his country, which had been obliged to halt production in some sectors. He would not dwell upon the various obstacles placed in his country's way, but merely point out that despite hindrances it was attempting to speed up its development. He called upon UNIDO to increase its economic and technical cooperation with the developing countries in order to help them face up to the challenges confronting them.

15. He commended UNIDO on the restructuring process and the establishment of new priorities for its programmes. His country supported UNIDO and all its activities designed to bring about constructive change. After endorsing the views expressed on behalf of the Group of 77 and the African countries, he said he was convinced that UNIDO still had a crucial role to play.

16. **Mr. VENKATARAMAN** (Managing Director, Investment and Technology Promotion Division), commenting on the statement by the representative of Ecuador, said that economic and technical cooperation in Latin America had centred on new technological areas, such as biotechnology, micro-electronics, capital goods and subcontracting. Active links had been established with the Latin American Economic System. Other possibilities, such as cooperation with the Bolívar programme, were being explored and discussions were under way with the Inter-American Development Bank. In addition, there was scope for interregional cooperation between enterprises in Latin America and Eastern Europe and with African countries in the dairy industry, for example. The Secretariat remained open to further suggestions for promoting cooperation in those and other areas.

INDUSTRIAL INVESTMENT PROMOTION (IDB.14/16)

17. **Mr. VENKATARAMAN** (Managing Director, Investment and Technology Promotion Division) said that investment promotion was a demand-driven activity for which UNIDO's services were increasingly requested. One of the more important of them was to act as honest broker at investment project promotion forums. An innovation in 1995 had been the organization of an Intechmart in India which had combined investment and technology promotion. A number of requests were pending from developing countries for the establishment of Investment Promotion Service offices. To facilitate their early establishment, the Board was requested to endorse the proposal relating to salary scales for IPS officials in developing countries, as well as the proposal to introduce from 1995 a fee-charging system on a cost-recovery basis for some of the services rendered by IPS offices. The resources thereby mobilized would supplement the basic funding, to be provided by the host country, and enable investment promotion activities to be implemented more speedily and effectively. The guidelines for IPS offices would be modified accordingly. Efforts were being made to adopt a fast-track procedure for the establishment and extension of IPS offices, which would enable the IPS network to gain in strength and become a valuable resource for investment promotion for both developed and developing countries. A publication was available which contained the profiles of a number of private investment projects already in operation in which UNIDO's investment service had played a key role.

18. **Mr. SÖLENDIL** (Turkey) said that his delegation welcomed the fact that an IPS office had become operational in Istanbul. The Turkish Government met all the expenses of the office, which would promote investment in the developing countries in Africa and the Middle East and newly independent States. It would also provide services to promote investment in Turkey from European countries. His delegation agreed that the establishment of new IPS offices should be a key activity in the next biennium and that, in order to provide Member States and the United Nations system with assessed information on industrial development, UNIDO should try to ensure integrated processing and dissemination of industrial information generated in its programmes and activities.

19. **Mr. VIERITA** (Romania) said that the financing of IPS offices from extrabudgetary resources might be an appropriate answer to UNIDO's financial problems. The development of databases and of the World

Investment Network Service could help to provide good investment advice and attract foreign investors. Rather than attempt to promote investments in big industrial complexes, UNIDO should concentrate on seeking reliable partners for joint ventures or other forms of cooperation between medium-sized and small private industrial companies and potential foreign investors. In that context, the recent law on accelerating privatization in Romania would give the process considerable impetus and at the same time create better possibilities for closer cooperation between Romania and UNIDO. The Organization, with its vast experience and extensive network of IPS offices, already played an important role in facilitating the flow of direct foreign investments to Romania. His country wished to be included among those with which negotiations would take place for the establishment of an IPS office.

20. **Mrs. PENSADO MORENO** (Mexico) said her delegation considered investment promotion activities to be among the most important services offered by UNIDO. The Investment Promotion Service office network should be extended to developing countries and economies in transition, a step which would help analysis and decision-making with regard to UNIDO's field representation and the Country Director programme. Her delegation supported the proposal to modify the provisions for personnel financing in the general guidelines for the establishment of IPS offices. While host country financing of IPS offices was a basic prerequisite for their operation, the mobilization of additional resources from other sources would facilitate their activities. Her delegation welcomed the progress made in the holding of investment forums and the emphasis on forums that linked investment with technology.

21. It also commended the cooperation arrangements between UNIDO and the World Bank, the European Bank for Reconstruction and Development, the Multilateral Investment Guarantee Agency and regional development banks. It urged the Secretariat to continue that form of cooperation and Member States that were members of such bodies to do all they could to further it.

22. **Mr. SOKOLOV** (Russian Federation) said his delegation had a generally favourable opinion of UNIDO's investment promotion programme. Success had been achieved in a relatively short period of time in launching the Investment Promotion Service office network and the investment forums, in helping to attract investments, especially by creating the necessary infrastructure and legislation, and in the training of specialists in the preparation of investment projects. An analysis of the effectiveness of the various facilities for furthering industrial investment in recipient countries would be a fundamental requisite for the planned increase in the number of IPS offices and the projected doubling in the number of investment forums in 1995.

23. Turning to the work of the UNIDO Centre for International Industrial Cooperation at Moscow, he confirmed his Government's interest in conserving the Centre's present status and consolidating its agreed functions. To that end, cooperation between the Russian Federation and UNIDO should be based on his Government's desire to use UNIDO's potential more fully in its national reforms, coupled with its readiness to offer its own technological, industrial and intellectual resources to UNIDO for its work in promoting the industrial development of developing countries.

24. The Russian Federation supported UNIDO's efforts to strengthen the financial basis for the operations of IPS offices by drawing on extrabudgetary resources and possibly accommodating expenditure through self-financing. That approach should be extended to the work of the Moscow Centre. His delegation had no objection to the procedure under which the head of the IPS office was appointed by the Director-General after consultations with the host country. The proposed system for determining the salaries of local staff should take account of the labour market in the host country, the competitiveness of such salaries, for example by comparison with salaries in the private sector, and the possibility of creating supplementary incentives in the form of bonuses for high performance, to be financed from extrabudgetary resources. His delegation therefore proposed the inclusion in the suggested new version of paragraph 12 of resolution GC.3/Res.19 of a reference to the possibility of modifying the proposed salary system in the light of actual conditions in the host country in question, and on the basis of consultations with its Government.

25. **Mr. BALAKRISHNAN** (India) expressed his Government's appreciation to UNIDO for its meticulous implementation of an integrated investment programme for India. Two major events had recently been held there, Investment 94 and Intechmart 95, both of which had been extremely successful. Intechmart had been the first event of its kind which had effectively merged technology and investment into a single programme. Encouraged by the response to those events, the Indian Government was planning another Intechmart early in 1996. Refinements would be introduced on that occasion and financial institutions, research and development organizations and the state Governments of his country would be more closely involved. The major component of programmes of that kind was an effective follow-up mechanism. An excellent tripartite arrangement between

government, UNIDO and industry had been established which should serve as a model for the future.

26. **Mr. VENKATARAMAN** (Managing Director, Investment and Technology Promotion Division) said that the Secretariat had taken note of the comments by the Turkish delegation concerning the closer integration of investment activities with, for example, industrial information. That was already being done at a working level but a complete system was not yet available.

27. The Romanian delegation had rightly stressed the importance of small and medium-sized enterprises; that was precisely the area in which UNIDO had sought to play a major role and where the true value of the IPS offices lay. Romania's interest in hosting an IPS office had been noted and the matter would be pursued with its Government.

28. The Secretariat had also taken note of the comments by the Russian Federation on the Moscow Centre. UNIDO attached great importance to the Centre as a means of cooperation with the Russian Federation.

PERSONNEL MATTERS

(a) UNITED NATIONS JOINT STAFF PENSION FUND)

(b) WOMEN IN THE SECRETARIAT

(IDB.14/8, IDB.14/10 and Add.1; IDB.14/CRP.2)

HEADQUARTERS AGREEMENT BETWEEN UNIDO AND THE REPUBLIC OF AUSTRIA (IDB.14/11)

ADMINISTRATIVE MATTERS: JOINT INSPECTION UNIT (IDB.14/12)

MATTERS RELATED TO INTERGOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS (IDB.14/23)

29. **Mr. YUSUF** (Legal Adviser), introducing agenda item 14, "Headquarters agreement between UNIDO and the Republic of Austria", said that, as the relevant report (IDB.14/11) indicated, the pace of negotiations on the headquarters agreement with the Government of Austria had been intensified during the past seven months in compliance with Board decision IDB.13/Dec.23.

30. Significant progress had been made during the negotiations and appropriate solutions had been identified for almost all the outstanding issues in the draft agreement. The Austrian authorities had also made important efforts to obtain preliminary legislative and policy measures for the resolution of the two outstanding issues mentioned in the report. It was therefore to be hoped that the long drawn-out negotiations over the headquarters agreement would be concluded in July 1995. In view of those developments, the Secretariat expected to be in a position to submit a report on the final agreement to the General Conference at its sixth session in December 1995.

31. **Mr. VAN RAALTE** (Managing Director, Division of Administration), referring to agenda item 13, "Personnel matters", said that, as an organization within the United Nations common system, UNIDO had to ensure that the conditions of service of its staff complied with General Assembly resolutions adopted on the recommendation of the International Civil Service Commission (ICSC). A number of the amendments to the schedules and annexes of the staff regulations, particularly those concerning salary scales, staff assessments and dependency allowances, were accordingly designed to bring them into line with decisions of the General Assembly on salaries and other allowances. An interim adjustment of the General Service salary scale and the pensionable remuneration of the Professional and higher categories in accordance with the ICSC methodology was included in the amendments to appendices A and C to the staff rules. Appendix G to the staff rules had also been amended in response to the cost-saving measures regarding home leave requested in decision IDB.13/Dec.26.

32. Regarding pension matters, document IDB.14/8 reported on the activities of the UNIDO Staff Pension Committee and on the composition of the Committee in relation to the representatives of the General Conference. The admission of the International Centre for Genetic Engineering and Biotechnology (ICGEB) to the Pension Fund as of 1 January 1996 was also reported.

33. On the question of the representation of women in the Secretariat, the report provided considerable detail on the initiatives taken by the Director-General to improve the status of women in UNIDO. The current representation of women in the Secretariat, as at 30 April 1995, was close to the target set in General Conference resolution GC.5/Res.19 for 1993. It was unlikely that the 30 per cent target set for 1995 would be reached in the course of the year.

34. To increase the number of women at the senior Professional levels, a number of special measures had been taken, such as assigning more women to senior-level posts and averaging their service at two levels for determining seniority for promotion purposes. As a result, the proportion of women at senior levels had almost doubled from 7.1 per cent in 1993 to 13.6 per cent in 1995, close to the 15 per cent target. Likewise, the average age of women at the P-5 level, which had

formerly been significantly higher than that of men, had decreased from 56 in 1993 to 50 as of April 1995.

35. The Organization could nevertheless do better in the area concerned. Measures taken so far included management development workshops, requests to UNIDO Country Directors to identify women candidates, Director-General's bulletins stressing management commitment and accountability, and requests to Member States to include women candidates in their nominations for vacant posts.

36. Attention was drawn to the statement adopted by the Administrative Committee on Coordination contained in annex VI to document IDB.14/8 which included the Committee's conclusions with regard to facilitating the recruitment and mobility of women. Experience had shown that the most critical challenge was to increase the number of women candidates for a particular vacancy. The Secretariat's decision to enter some of its vacancies on the Internet should help in that regard.

37. As far as other matters were concerned, document IDB.14/8 also referred to UNIDO's efforts to recruit staff to managerial and lower-level posts on a wide and equitable geographical basis. Since November 1994, out of 12 recruitments for advertised vacancies, six had come from underrepresented or unrepresented countries. Member States could help UNIDO to identify qualified candidates who satisfied geographical targets.

38. In the area of training, courses in quality assurance, project design, environmental technology and other technical areas continued to be offered, and courses in computer skills were still in high demand. In the area of management development, workshops were available on leadership skills, meetings management, team building and performance evaluation. Renewed emphasis was being given to the upgrading of technical skills in support of the seven programmatic themes of the Organization. Some training resources had now been decentralized, allowing divisions to provide external training in the particular technical skills they needed.

39. The area of performance evaluation and recognition was also important. The new staff performance evaluation report had been endorsed by the Joint Advisory Committee and was now entering a test phase which would involve Professional and General Service staff from at least one section of each division who would work with the form. The new system was due to be fully implemented on 1 January 1996. An award system had been launched to recognize and reward exceptional contributions both by individuals and by interdivisional teams of UNIDO staff, both at Headquarters and in the field.

40. UNIDO had conducted an interesting experiment in the area of recruitment. Recognizing the critical importance of timely recruitment, and the fact that the process was sometimes unnecessarily time-consuming, the staff of the Recruitment Division, working together as a team, had for several weeks studied and, in effect, re-engineered the process. The resulting recommendations were already being implemented and were expected to reduce the process time from some 160 days to an average of 100 days. The process could undoubtedly be further streamlined and efforts were being made in that direction. If the cooperation of all managers was obtained in effecting the changes, the Organization would look at other processes elsewhere to see whether similar economies and efficiencies could be realized.

41. On agenda item 15, "Administrative matters: Joint Inspection Unit", the Board had before it document IDB.14/12 which contained the summaries of two Joint Inspection Unit (JIU) reports and the Secretariat's views.

42. The review and assessment of efforts to restructure the regional dimension of United Nations economic and social activities (JIU/REP/94/6) looked at past attempts to restructure the regional dimension of the United Nations economic and social activities, and emphasized the importance of enhanced coordination between the United Nations, the regional commissions and the specialized agencies. The Secretariat supported coordination at the regional level, and that had been taken into account when preparing the proposals for a new framework for the field representation of the Organization (PBC.11/11).

43. The report on staff turnover and delays in recruitment (JIU/REP/94/7) reviewed the practices of agencies regarding the so-called lapse or vacancy factor. The concerns expressed by the JIU had been addressed by the Secretariat which had ensured that, despite the high vacancy factor, specialized functions in the substantive divisions were given top recruitment priority. The Board might wish to review the two reports and provide guidance.

44. **The PRESIDENT**, referring to agenda item 16 concerning the intergovernmental and other organizations, said that the Bureau had reviewed the applications of the eight non-governmental organizations that had applied for consultative status with UNIDO (IDB.14/23). The Bureau recommended the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Takes note of the information provided in document IDB.14/23;

"(b) Decides, in accordance with Article 19.1 (b) of the Constitution of UNIDO and the guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations (General Conference decision GC.1/Dec.41, annex, para. 17), to grant consultative status with UNIDO to the following eight international non-governmental organizations:

"European Regional Industrial Development Organization
"European Union of Public Relations
"Forum francophone des affaires
"International Federation for Information Processing
"International Institute of Applied Technologies
"Jeunes Enterprises/Junior Achievement Afrique
"Soroptimist International
"Support Centre for Food Development."

45. *The draft decision was adopted.*

46. **Mrs. DE PEREZ VENERO** (Observer for Panama), speaking on agenda item 13, said that the UNIDO staff rules affected all staff members and perhaps especially women staff members, who were particularly vulnerable when they had dependent children. Article 25 of the Universal Declaration of Human Rights stated that motherhood and childhood were entitled to special care and assistance, and the family had been recognized as the fulcrum of sustainable development in meetings held and publications issued in connection with the International Year of the Family. In view of the current financial problems, it was highly likely that UNIDO would be making further staff reductions, as indeed had been suggested by several delegations under various items of the Board's agenda. Her delegation considered that the rules dealing with separation payments should be more carefully drafted. In particular, staff rule 110.11, in appendix I of the Staff Rules and schedule V of the staff regulations were not clear enough and allowed scope for arbitrary treatment of the staff.

47. Her delegation concurred with the view expressed by the External Auditor in paragraph 181 of his report for the biennium 1992-1993 (IDB.13/7) that, with regard to the termination indemnities paid to staff members, the staff rules and regulations were not sufficiently clear and precise, thus leaving room for interpretation by the Secretariat, and that the staff rules and regulations of UNIDO should be adapted to General Assembly resolution 37/126 to avoid all misunderstandings and ensure the equal treatment of all staff members concerned.

48. Schedule V of the staff regulations, concerning the repatriation grant, left it to the Director-General to determine detailed conditions relating to eligibility. Appendix I of the staff rules was imprecise and provided merely that evidence of relocation was to be constituted by documentary evidence that the former staff member had established residence in a country other than that of the last duty station. Her delegation considered that the Director-General should have less discretion in the interpretation of the regulations, and that the rules should specify what types of documents could serve as evidence of relocation. That would avoid confusion, disputes and damage to the Organization's public image.

49. **Mr. VAN RAALTE** (Managing Director, Division of Administration) said that he would try to reply to some of the points made by the delegation of Panama. He was certainly committed to the principle of the importance of the family in sustainable development. Regarding staff reductions, UNIDO had tried to be as fair as possible. It would not wish to be arbitrary in its treatment of staff members. He also agreed that there should be clear rules. The Secretariat would strive for such an approach if another reduction in staff had to be made.

50. It would also certainly have another look at the staff rules quoted by the delegation of Panama and at the External Auditor's recommendation. However, regarding maternity, the rules did provide for paid maternity leave and for a year of unpaid leave for mothers. The separation payments which were applied throughout the United Nations system were provided for clearly in the staff rules. The repatriation grant was payable only to international staff.

51. In any future separation exercise, the kinds of payment possible and available for every category of staff would be spelt out, so as to avoid any interpretation difficulties in the application of the rules. In the 1993 exercise, the same procedure had applied and, to his knowledge, no problems had arisen regarding the repatriation grant, there had been no confusion and no cases were pending.

PREPARATIONS FOR THE SIXTH SESSION OF THE GENERAL CONFERENCE (IDB.14/27)

52. **The PRESIDENT** pointed out that, under Article 9.4 of the Constitution, the Board was expected to prepare the provisional agenda for the General

Conference session. At its thirteenth session, the Board had requested the then President, Mr. El Hussein (Sudan), to conduct informal consultations on the matter and to report to the Board at its current session (see decision IDB.13/Dec.25). The report on those consultations was contained in document IDB.14/27.

52. **Mr. EL HUSSEIN** (Sudan) (President of the thirteenth session of the Board) said that, in accordance with the request of the Board, he had conducted consultations on the agenda of the sixth session of the General Conference, convening three rounds of informal consultations attended by representatives from the various regional groups. The participants had had before them a provisional agenda in document IDB.13/14 and two proposals for the grouping of the items concerned submitted by the Secretariat and by the European Union, respectively. Some changes to the draft submitted by the European Union had been agreed on and the amended text, as reproduced in the annex to document IDB.14/27, was recommended to the Board. The question of a possible theme for the Conference had been raised, but it had not been possible to debate the matter at length, and it was felt that the Board might wish to address the issue.

54. To facilitate pre-Conference negotiations on procedural matters, the Secretariat had prepared background information on items 2, 5 and 6 of the draft provisional agenda concerning questions such as elections and credentials.

55. **The PRESIDENT** expressed the gratitude of the Board to Mr. El Hussein for having been able to submit a consensus draft provisional agenda for the General Conference, thus relieving the current session of the Board of a heavy burden.

56. **Mr. KAYALAR** (Director, External Relations Service), speaking as chairman of the task force for the preparation of the sixth session of the General Conference and as Executive Secretary of the Conference, said that the task force, which was composed of a wide spectrum of staff, had been active since December 1994. On a proposal from the task force, and based on the positive experience at Yaoundé, it had been decided to convene three panels concurrently with the sixth session. The panel topics, which would be considered under the umbrella theme of "Industry in the twenty-first century", would be: international industrial partnerships, industrial development policy: the changing role of Governments; and advancing women entrepreneurs. Background documentation would be prepared for each panel.

57. Two important events would also be held in close conjunction with the sixth session of the General Conference. As in past years, there would be a symposium at ministerial level for the least developed countries, to be held from 29 November to 8 December 1995 on the topic "Sustainable private sector development and accelerated growth of industrial enterprises in LDCs". The second event was a forum of non-governmental organizations, to take place from 30 November to 1 December 1995 with the topic "Cleaner industrial production".

58. Requests had been made at the fifth session of the General Conference to organize during the current biennium, within available resources, regional meetings in Asia and the Pacific and in Latin America and the Caribbean. That effort was now fully under way. The regional meeting for Asia and the Pacific would focus on accelerated industrial development and competitiveness in the region and would be held at Bangkok, Thailand, from 15 to 17 November 1995. A similar regional meeting would be held for Latin America and the Caribbean at Montevideo, Uruguay, on 21 and 22 September.

59. Preparations were thus well advanced for the General Conference, thanks in part to the valuable work done in the informal consultations chaired by the previous President of the Board. Despite the uncertainties of the financial situation, no efforts would be spared to organize an innovative and informative session that, in addition to performing the necessary administrative tasks, would provide an opportunity for all delegates to become participants in the industrial development process. He would keep permanent missions informed of any further developments relating to the Conference.

60. **Mrs. LAJOUS VARGAS** (Mexico) welcomed the report in document IDB.14/27. The fact that a draft provisional agenda had been agreed on produced showed that there was a will to achieve consensus. Her delegation attached special importance to the inclusion of a separate item on the state and prospects of the reform and revitalization process. Though some of the results of that process would be discussed under other

agenda items, having a specific item on the subject would facilitate comprehensive analysis of the reforms and make it possible for both the Secretariat and Member States to engage in an exercise of self-evaluation.

61. She thanked the Government of Uruguay for having offered to host the regional ministerial meeting for Latin America and the Caribbean to be held in September 1995. That meeting had been designed as an opportunity for countries of the region to reflect on a topic that was central to the work of UNIDO and should be discussed at the General Conference session: the link between industrialization and development, which was taking on increased importance in view of the new global context. The Mexican Government had submitted a document on industrial development and institutional matters relating to UNIDO in the context of the discussions in the United Nations on an agenda for development.

62. **Mrs. DE PEREZ VENERO** (Observer for Panama) said her delegation considered that the theme of the General Conference session should include the concept of reform. The topic of reform was of the highest importance at a time of major change throughout the United Nations system, not only in UNIDO. Panama supported real, sustainable reforms that were not cosmetic or superficial, and believed that their effective and monitored implementation was essential if UNIDO was to provide efficient support for industrial development. Her delegation welcomed the support given to the draft provisional agenda for the sixth session of the General Conference, and in particular item 8 concerning the reform process.

The meeting rose at 12.25 p.m.